



Concept Paper # 234

12/17/12

Name of document to be reviewed: IDR and DHR-CJJP Teradata 560 Replacement of 5400H

(Please check one item listed in the following two sections)

Document for review and approval:

- ☐ Request for Proposal (RFP)
- ☐ Request for Service (RFS)
- ☒ Request for Quote (RFQ)
- ☐ Invitation to Qualify

- ☐ Sole Source Procurement
- ☐ Statement of Work
- ☐ Staff Augmentation
- ☐ Master Agreement Purchase

NOTE: Sole source procurements will also need authorization from DAS Procurement for this type of purchase. Please also contact DAS Procurement at this location:

<http://das.gse.iowa.gov/procurement/solesource%202010.pdf>

Document for review only:

☐ Master Agreement

☐ Request for Information (RFI)

Agency: Iowa Department of Revenue

RFQ Reference #: TBD

Release Date: 12/19/2012

This project is requesting IOWAccess funds:

Yes ☐

No ☒

NOTE: IOWAccess concept papers are to be sent to Wes Hunsberger (Wes.Hunsberger@iowa.gov) for an internal DAS review.

Projected cost over \$50,000?

Yes ☒

No ☐

Projected agency staff hours over 750?

Yes ☐

No ☒



Project Cost, Funds and Funding Source:

Please list the internal and external resources/costs for the purchase:

Internal Resources/Costs:

External Resources/Costs: Project is estimated to cost **\$ 500,000** Purchase with a minimum of one year maintenance (Est. **\$ 160,000**) (includes maintenance for first one year).

Total Funding for purchase and 1st year maintenance **\$ 660,000**

Funding Source = 100% IDR-TAXGAP

Timelines: Request the product be purchased and installed by April 1, 2013.

Goal: Through the use of the existing Teradata 5400H, the Iowa Department of Revenue and the Iowa Department of Human Rights employ the Hardware/System software Solution set that result in positive economic outcomes for the State of Iowa. The hardware, software and maintenance is funded entirely from taxpayer collection identified by this system.

Background: The Iowa Department of Revenue (IDR) and the Iowa Department of Human Rights (DHR-CJJP) has purchased Teradata solutions over the past 11 years via upgrades to the Hardware/System Software Solution. This solution set employs highly evolved and complex data relationship that enables IDR Identify Potential lead for compliance Audits and Fraud. This result in additional billings to taxpayers, which results in \$ 25+ million additional dollars collected each year

Expected Results:

What are the tangible and intangible benefits of this purchase for this agency and/or state government?

The existing Teradata solution set (Hardware/Database/System software) serves as the primary modeling engine for IDR's Tax Management Division for compliance. Also referred to as (Tax Gap). Complex models produce taxpayer leads for Fraud and compliance for the Agency. In calendar year 2012, the estimated additional collections are estimated at \$ 25,000,000+.

Can these benefits be quantified in financial terms? If yes, please explain.

\$ 25,000,000+ per annum

How will you be more effective as a result of this purchase?

IDR Staff uses models to evaluate taxpayer's information from a variety of internal and external sources to produce a set of LEADS or taxpayers who should be billed for additional collection of tax. The existing Teradata 5400H is no longer supported by Teradata and is at end of life. IDR and DHR-CJJP will benefit from higher throughput with the model 560, allowing each agency to schedule and execute more models.

How will service to your customers be enhanced as a result of this purchase?

All taxpayers benefit from compliance with tax law.



Testing and Acceptance: This product has been tested and accepted successfully in the past and the expectation is that upgrade will satisfy IDR requirements.

Some of the Interested Parties: Iowa Department of Revenue, Department of Human Services - CJJP.

Some of the Recipients of this Service: Iowa Department of Revenue, Department of Human Services - CJJP. The models also help identify more complex cases of fraud that IDR can pursue.

Standards: The Teradata 560 Hardware and System software will continue to comply with all federal and state tax regulations. We foresee no problems with security scans as the software will comply with current security standards.

Architecture:

The replacement of the Teradata 5400H with the Teradata 560 is a unique analytical engine for large data modeling. It is located within the Hoover building DAS/ITE Operations Center.

Business Continuity / Disaster Recovery: This system is not considered a critical system and can be restored using the recovery point objectives outlined in the DAS-ITE backup SLA and the COOP/COG plans.



Recommendations from the State CIO:

NOTE: Where applicable, all DAS GSE Procurement and IA Administrative Code 11-105 and 11-106 requirements and procedures are to be followed. Reference: <http://das.gse.iowa.gov/procurement/>, specifically: <http://das.gse.iowa.gov/procurement/adminrules/>.

Duplication recommendation from the State CIO to the DAS Director:

- a) Is there duplication within Government? (Please identify duplication at the agency level, as well as within the enterprise) **No**
- b) Can an existing program be modified to address a new need? **No – product is no longer supported**
- c) Do you have any similar program in existence? **No**
- d) Have you sought IT procurements for similar programs in the past? **This is the third upgrade of Teradata is 11 years.**
- e) Do you have purchasing documents for similar programs? **No**
- f) Do you have similar purchasing documents that could be used as a starting point for this program? **No**
- g) Is there anything you could provide that could assist the agency with this IT procurement? **No**
- h) Are there alternatives available to the agencies? **No**

Recommendation of the State CIO to the DAS Director:

Authorize this IT procurement Yes X No ____

Alternatives suggested by the State CIO

(See comments below) Yes ____ No X

Additional comments from the State CIO: **The State CIO recommends approval of this request.**

DAS Director's action:

Authorize this IT procurement Yes X No ____

The above IT procurement concept approved by Director Carroll on 1/25/13

Comments: **None.**